

# CAA Pay Gap Report

November 2021

# Pay Gaps at a Glance

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## Gender Pay Gap



Mean  
30.2%



Down from 2020 by  
0.2%

## Ethnicity Pay Gap



Mean  
23.0%



Down from 2020 by  
5.1%



Median  
35.2%



Down from 2020 by  
2.9%



Median  
25.7%



Down from 2020 by  
0.9%

# Introducing our 2021 Pay Gap Report

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Pay gap reporting highlights the value and importance of our drive to promote diversity and inclusion. This year we have opted to externally report on our **ethnicity pay gap** for the first time. This reinforces our commitment to greater transparency and change.

But we know our challenge. **We need to increase representation** across all roles, but in particular in our senior roles.

We have released our new 3 year **Diversity and Inclusion Strategy**, supported by **action** to continue to progress change. And we are introducing **aspirational goals** for increasing representation of females and ethnic minorities at senior levels. These goals will complement pay gap reporting in measuring our progress.

A foreword from **Paul Smith**, our *Executive Diversity & Inclusion Sponsor*, and our *Group Director, Consumers & Markets*

“This is our fifth gender pay gap report, and our fourth time of reporting a year on year change in our gender pay gap. The data is telling us that the rate of change has slowed. We understood that this may happen, with the global pandemic and its impact on aviation and aerospace meaning our internal movement and turnover has been lower than usual. However, we need to continue to do more, and to put in place the **right actions** to address our pay gap.

One such action is maintaining and strengthening our proposition around **flexible working**, which can benefit all colleagues. With a movement to hybrid working, supported by a dedicated project team, we are keeping the good bits of what we have learnt in the pandemic. This means trusting and empowering colleagues to deliver in a working environment that works best for them and the tasks at hand.

Equally important is that this is the first time we are able to communicate our **ethnicity pay gap** with confidence, now having captured 77.9% of colleagues’ self-identified ethnicity as of March 2021. Given we intentionally re-established that data from a zero baseline with the launch of a new HR system in April 2019, this is a major milestone for us. We owe a massive thanks to our colleagues for this achievement.

Finally, and a belief that is close to my heart, is that we all have **potential**; talent is something that grows and develops with experience, hard work, and support. Our recent focus on promoting high quality performance and development conversations is about providing opportunities, which will encourage and improve internal progression for all.”



Paul Smith

# Our Gender Pay Gap

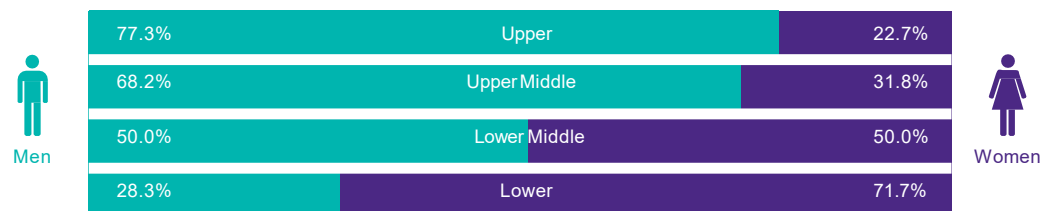
## Mean and Median Gender Pay Gap

Our Mean Gender Pay Gap is **30.2%** and the Median is **35.2%**. Whilst these figures are not what we want for our organisation, we continue to see a trend of year on year change in both figures from our first report in 2017.

	March 2021	March 2019	March 2017
Mean	30.2%	31.9%	34.0%
Median	35.2%	40.9%	41.6%

## Our Gender Pay Gap by Quarters

To address our pay gap, we need to continue to see an increase in female representation at senior levels of our organisation. From our last report, we have seen an increase in female representation in both our upper (+1.2%) and upper middle (+0.9%) quarters. Conversely, an increase in male representation at our lowest quarter would also support reducing our pay gap.



## Mean and Median Gender Bonus Gap

As they have for a number of organisations, events of 2020/21 have impacted our finances. We put in place temporary pay cuts for our higher earners, and discretionary bonuses were not paid. Our Executive Committee and Board were included in these cost cutting measures.

However, as an organisation we have continued to deliver in the context of a worldwide pandemic and the UK's exit from the EU. We have therefore paid out 8 contractual bonuses in 2020/21, in very limited and exceptional circumstances, where a colleague has taken on considerably more responsibility.

This has meant that for 2021, 0.54% of women and 0.71% of men have received a bonus, resulting in a mean bonus gap of 20.82% and median bonus gap of 29.9%.

Please note: This report follows the regulatory framework for how gender pay is calculated and reported.

# Our Ethnicity Pay Gap

## Mean and Median Ethnicity Pay Gap

This is the first time we are in a position to communicate our Ethnicity Pay Gap externally as we have seen the number of colleagues voluntary sharing their ethnicity rise to 77.9%. Based on this, our Mean Ethnicity Pay Gap is **23.0%** and the Median is **25.7%**. Whilst reporting this data externally is a major milestone for us, it confirms that we need to do more to ensure equitable representation of minority ethnic colleagues at all levels of our organisation.

	March 2021	March 2020
Mean	23.0%	28.1%
Median	25.7%	26.6%

## Our Ethnicity Pay Gap by Quarters

When we analyse our ethnicity distribution across our different pay quarters, (i.e. where colleagues are in the organisation when looking at hourly rates of pay), we see the need to increase representation of our minority ethnic colleagues in more senior positions. This is the primary factor for our ethnicity pay gap and is something we will continually work to improve.



# Our ongoing commitment to closing our Pay Gaps

“Our commitment to closing our pay gaps remains robust. As we continue to adapt to an evolving world around us, we are working to accelerate the pace of change within the CAA to offer an employee experience where people feel included, cared for and part of the continuing conversation, which forms a large part of our revised Diversity & Inclusion Strategy.”

Jane Cosgrove, People Director

## Our Diversity and Inclusion Strategy

We launched our current Diversity and Inclusion Strategy in 2018 – it is safe to say that at the time of writing this pay gap report in 2021, during a global pandemic, a lot has happened since.

Whilst we are pleased that we delivered against our Strategy, and were able to adapt in the face of the evolving world around us, the 1<sup>st</sup> half of 2021 gave us the opportunity to pause, take stock and plan for an exciting future.

Opportunities will present themselves, within the CAA, within aviation and within wider society, which we need to ensure we take to accelerate the pace of change within our organisation. These opportunities include new ways of working and further embedding flexibility for all colleagues; reviewing our operating model to ensure we can flex and adapt to new regulatory challenges, and ensuring societal conversations and changing attitudes continue to be discussed and learnt from.

This is why, having fully listened to all our colleagues, we have launched **our new 3 year strategy**. It aligns to our wider People Strategy, which has its own key objective of offering an employee experience where people are included and cared for.

And of course, data is a key component of our strategy and our commitment to closing our pay gaps remains as robust as ever. Which is why, we have introduced **aspirational goals** for increasing representation of females and ethnic minorities at senior levels to help monitor our progress.

## Equal Pay Audit

In December 2020 we commissioned an equal pay audit, which was conducted by Willis Towers Watson. As well as looking at gender, we looked at any differences in pay between people of different ethnic backgrounds doing like work.

The audit found that in the CAA, for like work, women are paid 99p for each £1 paid to men, or 98p for each £1 if market related supplements are treated the same as basic pay. This confirmed that the audit did not find any systemic equal pay issues in the CAA.

There were a small number of instances (all women) where we felt that we could not wholly explain the gaps identified. We have taken steps to address these differences.

The audit did not identify any cases where there appeared to be a relationship between pay and ethnicity. However in some groupings, sample sizes for ethnically diverse colleagues were too small to analyse.

We identified some improvements during the audit that we have since implemented to guard against any equal pay issues occurring in the future. It also underlined the need for us to continue to review how pay works at the CAA

# Notes on Methodology

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Our statutory gender pay gap reporting under the Regulations is based on an overall average across all roles and seniorities at the snapshot date 31 March 2021. For more information on methodology, please see: [Making your gender pay gap calculations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/making-your-gender-pay-gap-calculations)

We used the same methodology when calculating our ethnicity pay gap reporting. At the snapshot date, our minority ethnic population accounted for 9.24% of our workforce (77.9% of our population have self-identified their ethnicity). By comparison, our March 2020 report was based on our minority ethnic population being 6.24% of our workforce (54.5% of our population had self-identified their ethnicity at that time).

We appreciate reporting on ethnicity and gender pay gaps is binary in nature. It groups colleagues as opposed to appreciating the varied experiences of colleagues from different backgrounds. It does not factor into its analysis intersectionality. However, by publishing this report we are reinforcing our commitment to greater transparency; it is a positive driver for change

		Third Report	Fourth Report	Fifth Report
Publication deadline		30 March 2020	30 March 2021	30 March 2022
Pay Gap	Snapshot date:	31 March 2019	31 March 2020	31 March 2021
Bonus Gap	Bonuses paid in period:	1 April 2018 to 31 March 2019	1 April 2019 to 31 March 2020	1 April 2020 to 31 March 2021

